

James A. Santucci, WSBA #7393
The Lanz Firm, P.S.
AGC Bldg., Suite 809
1200 Westlake Avenue North
Seattle, WA 98109
Telephone: (206) 382-1827
Facsimile: (206) 682-5288
Email: jasantucci@thelanzfirm.com

Honorable Karen A. Overstreet
Chapter: 7
Location: Marysville
Date: September 22, 2010
Time: 10:30 a.m.

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

INMEDIARES PRODUCTIONS, *dba*
CATALYST GAME LABS,
Debtor.) Case Number: 10-14343-KAO
)
) NOTICE OF MOTION;
) MOTION FOR ENTRY OF ORDER
) REQUIRING POSTING OF BOND BY
) PETITIONERS
)

1.0 NOTICE:

TO: CLERK OF THE UNITED STATES BANKRUPTCY COURT
TO: MICHAELANNE EHRENBERG, Attorney for Petitioners

PLEASE NOTE that THE FOLLOWING MOTION IS SET FOR HEARING as follows:

**NATURE OF MOTION: MOTION FOR ENTRY OF ORDER REQUIRING
POSTING OF BOND BY PETITIONERS**

JUDGE: The Hon. Karen A. Overstreet TIME: 10:30 a.m.
PLACE: Marysville Municipal Court DATE: September 22, 2010
Courtroom 1
1015 State Avenue
Marysville, WA 98270

IF YOU OPPOSE the Motion, you must file your response with the court clerk and deliver copies to the undersigned NOT LATER THAN 4:30 p.m. on the RESPONSE DATE, which is September 15, 2010.

IF NO RESPONSE IS TIMELY FILED AND SERVED, the Court may, in its discretion, GRANT THE MOTION PRIOR TO THE HEARING, WITHOUT FURTHER NOTICE, and strike the hearing.

MOTION FOR ENTRY OF ORDER REQUIRING THE POSTING
OF BOND BY PETITIONERS
G:\LETTER\JAS\Inmediares Productions\Motion for Bond.doc
PAGE 1.

The Lanz Firm, P.S.
Suite 809, AGC Building
1200 Westlake Avenue North
Seattle, WA 98109
206-382-1827 FAX 206-682-5288

1 Comes now the alleged Debtor, InMediaRes Productions, LLC, and through his attorney
2 James A. Santucci and The Lanz Firm, P.S. and moves the court for an Order requiring the
3 Petitioners to post a \$75,000 bond pursuant to 11 USC Sec. 303(e) for this matter to proceed any
4 further.

5 **Facts**

6 Each of the three petitioning Creditors, Wildfire, LLC, Paul Stansel and Jean-Phillipe
7 Sugarbroad signed the Involuntary Petition for Chapter 7 Bankruptcy in April, 2010. This
8 voluntary petition is likely to fail due to the nature of the three petitioners not constituting valid
9 creditors to this action.

10
11 The \$37,236.59 claim for royalties by Wildfire, LLC is severely contested by IMR. The
12 claim is not liquidated, is subject to various set-offs for inventory swap-outs that have not
13 otherwise been accounted for. Offsets have been valued improperly. There will be little or no
14 funds owed Wildfire upon a proper accounting. Wildfire, LLC is not a proper creditor to this
15 involuntary petition.

16
17 The estimated claim of \$18,000 by Paul Stansel, at the commencement of this
18 involuntary petition was being paid on a monthly basis at about 969.73 with the understanding
19 the remaining balance would be paid in September 2010. He was a lender being paid in the
20 normal course of business. Payments have continued monthly since the filing and Stansell will
21 be paid in full in September as planned. Bankruptcy will not enhance his position and he is not
22 a proper creditor to this action.

23
24 The claim \$2,924.64 claim of Jean-Philippe Sugarbroad is for services. While he may
25 have done work under our former operations manager, who left IMR earlier this year. IMR has

1 no record or documentation as to the hiring of Mr. Sugarbroad. IMR has no record of the
2 itemized work done and Mr. Sugarbroad won't cooperate in itemizing what it is he did for the
3 amount claimed. IMR can't determine what it is he may be owed, if he won't work with IMR in
4 sorting this out.

5 The filing of this involuntary bankruptcy has cost IMR a minimum of \$20,000 - \$30,000
6 in lost business. It has caused credit issues in obtaining printing resulting in a significant delay in
7 the printing of six books. It has made other vendors wary of doing business and stands in the way
8 of forging other partnerships. IMR generates gross sales in excess of \$1,000,000 per year. The
9 filing has resulted in unwarranted damage to business reputation.

10 Should the matter proceed to trial, attorneys fees and costs will remain significant. There
11 is a strong likelihood that this involuntary petition will fail and IMR will be entitled to certain
12 fees, costs, and damages.
13

Argument

14 11 USC Sect 303(e) provides that upon hearing, the court may require the Petitioner's
15 under this section to file a bond to indemnify the debtor for such amounts as the court may award
16 under subsection (i) of this section.
17

18 Subsection (i) provides that upon dismissal of the involuntary petition the court may
19 award reasonable attorney fees and costs, together with actual and punitive damages against any
20 petitioner incurred because of a bad faith filing. There is a likelihood this matter will be
21 dismissed and IMR seeks protection for damages caused and allowed under 11 USC Sec. 303 (i).
22

23 In this case, the facts will demonstrate that these are improper creditors to an involuntary
24 bankruptcy petition and that the damage caused by this involuntary petition is real and
25

1 substantial and possibly compensable against each of the petitioning creditors to this involuntary
2 bankruptcy petition.

3 IMR seeks an order for a bond in the amount of \$75,000 as to every petitioning creditor
4 to this action for this matter to proceed.

5 Dated at Seattle, Washington this 31st day of August, 2010.
6

7 THE LANZ FIRM, P.S.:
8

9 By: /s/ James A. Santucci
James A. Santucci, WSBA #7393
10 Attorney for Debtor
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25